

HOUSE BILL 1088

By Sexton C

AN ACT to amend Tennessee Code Annotated, Title 45,  
Chapter 12, relative to the Flexible Credit Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-12-104, is amended by deleting the section in its entirety and by substituting instead the following language:

(a) To qualify for a license to make flex loans, an applicant shall meet the following requirements:

(1) The applicant shall have a tangible net worth that comprises tangible assets less liabilities of not less than seventy-five thousand dollars (\$75,000) for each location; and

(2) The financial responsibility, financial condition, business experience, character, and general fitness of the applicant shall reasonably warrant the belief that the applicant's business will be conducted lawfully and fairly. In determining whether this qualification has been met, and for the purpose of investigating compliance with this chapter, the commissioner may review and approve:

(A) The relevant business records and the capital adequacy of the applicant;

(B) The competence, experience, integrity, and financial ability of any person who is a director, officer, or twenty percent (20%) or more shareholder of the applicant or who owns or controls the applicant; and

(C) Any record, on the part of the applicant or any person referred to in subdivision (a)(2)(B), of any criminal activity; any fraud or other act of personal dishonesty; any act, omission, or practice that constitutes a

breach of a fiduciary duty; or any suspension, removal, or administrative action by any agency or department of the United States or any state, from participation in the conduct of any business.

(b) The requirements set forth in subsection (a) shall be continuing in nature.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.